

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6407

BILL NUMBER: HB 1280

DATE PREPARED: Nov 23, 1998

BILL AMENDED:

SUBJECT: Attorney General civil actions.

FISCAL ANALYST: Susan Preble

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires that unless directed by the General Assembly, money collected on behalf of the state or a state agency from a civil action prosecuted by the Attorney General shall be deposited in the State General Fund and that as part of the civil action the Attorney General may not require the respondent to spend money for specific purposes.

Effective Date: November 20, 1998 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues: This bill would transfer any revenue that might be directed to dedicated funds as a result of the settlement of the state suit against the tobacco industry to the General Fund.

Indiana is the 30th of 46 eligible states to sign on to a \$206 billion settlement agreement between tobacco companies and the states. Indiana's share of the settlement is estimated to be \$4 billion.

The terms of the settlement include a ban on outdoor advertising and restrictions on sponsorship of sporting events. It also prohibits the tobacco industry from lobbying against proposals to fight youth smoking, and funds a national anti-smoking campaign.

The settlement requires tobacco companies to make payments to the states for the next 25 years. Indiana's first payment is expected to total \$50 million and is to be made 30 days after the agreement is signed. The state is to receive payments from \$48.9 million to \$171.1 million each April, beginning in the year 2000 and ending in 2025. In addition, states like Indiana which had already begun litigation with the tobacco companies may receive a portion of an additional \$8.6 billion.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Attorney General.

Local Agencies Affected:

Information Sources: J.D. Lux, Office of the Attorney General, 233-8438.